

April 4, 2018

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: WC Docket No. 17-287 – Bridging the Digital Divide for Low-Income Consumers**  
**WC Docket No. 11-42 – Lifeline and Link Up Reform and Modernization**  
**WC Docket No. 09-197 – Telecommunications Carriers Eligible for Universal Service Support**  
**NOTICE OF EX PARTE PRESENTATION**

Dear Ms. Dortch:

The Retail Industry Leaders Association (RILA) has concerns about certain aspects of the Commission's proposals to reform the federal Lifeline program as set forth in the December 1, 2017 order.<sup>1</sup> RILA is the trade association of the world's largest and most innovative retail companies. Its more than 200 members include retailers, product manufacturers, and service suppliers that collectively account for more than \$1.5 trillion in annual sales, millions of American jobs, and more than 100,000 retail stores, manufacturing facilities, and distribution centers here and around the world.

Many of our members are vendors of wireless telecommunications services provided by major national telecommunications carriers. Therefore, we are acutely aware of the importance of the federal Lifeline program. Lifeline has enabled millions of low-income households to obtain affordable reliable telecommunications service, including wireless service.

Given the importance of the Lifeline program, we are concerned by several of the proposals recently put forth by the Commission. If adopted, those proposals would weaken the Lifeline program and would reduce (and, in some cases, eliminate) Lifeline availability to thousands – perhaps millions – of low-income families. The Commission's proposal to categorically exclude wireless resellers from Lifeline would be especially problematic. Removal of those providers from the Lifeline program would leave low-income households with no available wireless Lifeline options.

Another problematic aspect of the Commission's latest Lifeline proposals is the suggestion that the program be "capped" at a specified amount. To deny Lifeline-supported services to qualifying households solely because a program cap number has been reached in a specific year would be unduly punitive. Access to Lifeline service should be based on applicants' financial circumstances. If an applicant is Lifeline-eligible based on enrollment in a Lifeline qualifying program or based on proof of income, that applicant should be serviced regardless of whether a Commission-established cap number has been reached.

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<sup>1</sup> Bridging the Digital Divide for Low-Income Consumers, et al) (*Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry*), FCC 17-155, released December 1, 2017.

Finally, the proposal to limit Lifeline support amounts and, specifically, to require low-income Lifeline-eligible households to pay a portion of the monthly service rates is ill-advised and would prevent participation in the Lifeline program by qualified low-income households.

Lifeline providers should be allowed to utilize the standard monthly Lifeline support amount of \$9.25 to offer services based on each provider's perception of consumer preference. Some wireless Lifeline providers deliver the subsidy to their consumers in the form of no charge service which includes specified quantities of voice service and/or specified quantities of broadband Internet service. Those providers offer at no charge to the consumer Lifeline offerings which meet the Commission's minimum service standards. Other providers enable consumers to pay some amount for service plans with greater benefits than those available with the no charge plans, but which still receive the \$9.25 Lifeline subsidy. There is a demand among Lifeline-eligible households for such plans. For other consumers, Lifeline is only affordable if offered as a no charge service. Those kinds of consumer choices should be encouraged by the Commission. They should not be prohibited. A primary benefit of telecommunications service competition is that consumers have choices.

For the reasons set forth herein, we respectfully urge the Commission not to exclude wireless resellers from the Lifeline program; not to cap the annual Lifeline budget in a manner which denies Lifeline-supported service to qualifying low-income households; and not to require mandatory charges or "co-pays" as a condition to receiving Lifeline-supported service.

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically. If there are questions, please contact Nicholas Ahrens at [nicholas.ahrens@rila.org](mailto:nicholas.ahrens@rila.org).

Sincerely,

*Nicholas R. Ahrens*

Nicholas R. Ahrens  
Vice President, Privacy and Cybersecurity

Cc: Hon. Ajit Pai  
Hon. Mignon Clyburn  
Hon. Mike O'Rielly  
Hon. Jessica Rosenworcel  
Hon. Brendan Carr